post offices have been opened so far. Post offices are opened in rural areas on norm based justification subject to availability of resources.

Guidelines for new basic operators

4165. SHRI SANTOSH BAGRODIA: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether it is a fact that Government have announced guidelines for the entry of new basic service operators; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR): (a) Yes, Sir.

(b) Based on the recommendations of Telecom Regulatory Authority of India (TRAI), the Government has announced guidelines on 25th January, 2001 for issue of licenses with unrestricted open entry of new Basic Service Operators in all the Service areas including the six service areas where private licensees already existed. As per these guidelines, the usage of handheld sets by the subscribers of Basic Telephone Service providers has been permitted under wireless subscriber access systems in the local area and not more than 5 + 5 MHz spectrum in designated/prescribed frequency bands for these systems can be allocated to any basic service operator including the existing ones on first come first served basis.

The other salient features of these guidelines for provision of Basic Telephone service are:

(i) Any Indian registered company, whose promoters constituting at least 30% of total equity have experience in telecom sector, can apply for licenses even for more than one telecom circle subject to its foreign equity not exceeding 49% and meeting the eligibility requirements in respect of net-worth, paid up equity capital, payment of entry fee and license fee, submission of bank guarantees (as per statement) (*See* below).

(ii) License to be issued on non-exclusive basis for 20 years; extendable by 10 years at a time, in the territorial jurisdiction of licensed telecom circle.

(iii) Roll out obligations shall be in terms of establishing stipulated percentage of points of presence in SDCAs (Short Distance Charging Areas) *i.e.* local areas, at the end of each of the four phases, linked with security in terms of performance bank guarantees. Ultimately 80% of SDCAs to be covered by each licensee independently and beyond that coverage may be jointly by new licensees.

(iv) Financial Bank Guarantee of stipulated amount to securities the license fee.

(v) Specturm charges for wireless usages/equipment to be paid separately.

(vi) Resale of local loop not permitted by the incumbent to its competitors.

(vii) Assignability/transferability of licences permitted subject to prior written consent of licensor in accordance with terms of a Tripartite agreement.

(viii) Licensee can appoint franchisees with a proviso that responsibility to ensure compliance of license conditions shall vest with the Licensee.

(ix) Use of hand held telephone sets permitted to subscribers of Basic Telephone Service operators on Wireless Access Systems limited within the local areas.

Statement

Eligibility requirements and Licence Fee

Telecom Circles	Net worth requirement (Rs. Crores)	Paid-up Equity required (Rs. Crores)	Entry fee (Rs. Crores)	Performance Bank Guarantee (Rs. Crores)				% of revenue as Licence fee
				20% BG1	30% BG2	50% BG3	100% 1+2+3	
Category A Circles								
Andhra Pradesh	1000	100	35	28	42	70	140	12%
Delhi	1000	100	50	40	60	100	200	12%
Gujarat	1000	100	40	32	48	80	160	12%
Karnataka	1000	100	35	28	42	70	140	12%
Maharashtra (including Mumbai & Goa)	1000	100	115	92	138	230	460	12%
Tamil Nadu (including Chennai)	1000	100	50	40	60	100	200	12%
Category B Circles								
Haryana	700	70	10	8	12	20	40	10%
Kerala	700	70	20	16	24	40	80	10%
Madhya Pradesh (including Chhattisgarh)	1000	100	20	16	24	40	80	10%
Punjab	700	70	20	16	24	40	80	10%
Rajasthan	1000	100	20	16	24	40	80	10%
U.P. (West) (including Uttaranchal)	1000	100	15	12	18	30	60	10%
U.P. (East)	1000	100	15	12	18	30	60	10%
West Bengal (including Calcutta)	1000	100	25	20	30	50	100	10%

			Category C Circles					
Andaman & Nicobar	20	2	1	0.8	1.2	2	4	8%
Assam	500	50	5	4	6	10	20	8%
Bihar (including Jharkhand)	500	50	10	8	12	20	40	8%
Himachal Pradesh	200	20	2	1.6	2.4	4	8	8%
Jammu & Kashmir	200	20	2	1.6	2.4	4	8	8%
North-East	200	20	2	1.6	2.4	4	8	8%
Orissa	500	50	5	4	6	10	20	8%